

FEE's Essential Guide to Entrepreneurship

Part 3: Heroes of Entrepreneurship



*FEE's Essential Guide
to Entrepreneurship,
Part Three*

Entrepreneur Success Stories

FEE

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Introduction

“Whenever you see a successful business,
someone once made a courageous decision.”

—Peter Drucker

Why do we find stories of entrepreneurs inspiring?
Entrepreneurs are people who don't accept the world as is, but imagine the world as it could be, and make life more pleasant one improvement at a time. Some of the products they create profoundly change our lives - such as the flush toilet or the airplane, while others improve them little by little in small ways, such as a stool cushion from the founder of Airbnb for sitting through art critiques. Each entrepreneur solves the problems familiar to him using his unique perspective and the resources available to him. The sum of their work has profoundly transformed our lives for the better.

Starting a business is courageous. In the film *The Founder*, McDonald's founder Ray Kroc is shown standing in front of the dirt lot which will become his first McDonald's restaurant. Ray kneels down and scoops a handful of dirt. “Please work this time” he whispers. He has a string of failures behind him and has mortgaged his house to finance his dream of a new kind of fast food restaurant, because no bank would take a chance on him.

This moment really symbolizes the courageous nature of entrepreneurship. No one, including the founder himself, knows whether a business idea will work until that idea is tried in reality. Until all the resources that make a business work are assembled on that dirt lot and put into motion, no formula, no genius, nothing in the universe can know whether the idea will turn a profit. A business is an emergent phenomenon, and a million different variables will come together to determine whether it succeeds or fails. The only way to test the idea is to try it in practice.

Each business success story is different. Not everyone ends up as successful as Steve Jobs, Mark Zuckerberg, or Oprah Winfrey. What founders have in common is their vision of a unique value proposition that only they can contribute, their drive to succeed, their persistence in the face of skepticism and apathy. Whether your definition of success is creating a billion dollar company or a running a thriving small business from your home, we hope these stories will inspire you to take the next step.

Norval Morey: Wealth Creation Through Entrepreneurship

Lawrence W. Reed

This story about a real hero is rather personal. I knew the subject. He was a terrific friend I'll never forget.

How is it that we recognize someone as "great?" Is it by how often his or her name appears in the newspapers? Is it by how much he gives away, or by how many public offices she's held, or by how many degrees he lists after his name?

Greatness isn't any of those things. It's something that springs from *character*, the critical, self-determined stuff that defines a person. A great man or woman is one who does great things from the heart and doesn't care if it makes the papers. Giving money to worthy causes is a noble thing, but having the wisdom and the drive to do what it takes to earn it in the first place is what's *really* great.

A person can become great in public office, but America is not a country whose strength and vitality come from government. As Ronald Reagan said, "This is a country that has a government, not the other way around." And having a collection of degrees after your name doesn't say anything about what you've done to put them to good use.

"The achievement of a man," Booker T. Washington once said, "is measured not by where he starts out in life, nor by where he ends up, but by the distance he travels in between." This is why Norval K. Morey, "Nub" to those of us who knew him, was a great man, the quintessence of the American Dream.

Humble Beginnings

Norval's start in life was as humble as humble gets. So was his formal education, which ended with the sixth grade. Even that overstates it. Perhaps the most truant kid in the public schools of Isabella County,

Michigan, Norval really didn't learn much from a teacher after the fourth grade. Half a century later, he was awarded an honorary degree from Harvard after delivering a speech there on environmental harvesting.

Biographer Rich Donnell explains that the Great Depression was Norval's "ticket out of the seventh grade." He loved relating the story about how, after a couple of days in his seventh grade class, his teacher told him he was smarter than she was, so he didn't need to come back. So he quit. He spent the first half of the 1930s working the family farm, cutting and hauling wood, and taking on every odd job he could find. He then moved to Idaho to work as a logger near Lewiston. Returning to Michigan at the start of World War II, he labored in defense plants in Detroit until the army drafted him in 1942. He faced danger head-on as a combat squad leader in northern Italy. Back in his home state after the war, he became a sawmill operator. Wood was his passion and his career for the next four decades.

Life-Changing Entrepreneurship

In 1957, at the age of 37, Norval took a big chance. He designed a portable device to strip bark from pulp wood and then launched the Morbark Debarker Company in the tiny village of Winn, Michigan. The total payroll: two people, and they made only one product.

When he died 40 years later in 1997, head of the company to the last, Morbark was a 1.5 million square foot manufacturing complex with nearly 500 employees producing hundreds of heavy equipment designs for sale around the world. The company builds high-performance machines for customers in the forestry, recycling, sawmill, biomass, landscaping, irrigation, and tree care markets. It helps customers harvest, process, and convert organic materials into valuable, usable, and environmentally sound products. His son, Lon Morey, now heads the company.

In 77 years of life, Nub went further than most of us ever will if we live to be 100. He was a pioneering inventor, an entrepreneurial genius, a job creator, a benefactor of education. He knew the truth of what advertising guru Leo Burnett once said: "If you reach for the stars, you may not always get one, but you won't come up with a handful of mud either."

Not bad for a guy whose formal education ended on the third day of the seventh grade. (This [old Apple commercial](#) sums him up well.)

Norval Morey not only knew what it takes to make a successful company tick; he knew what it takes to make a successful *country* tick as well. He spoke out in favor of individual liberty and free enterprise. He supported candidates who came down squarely in favor of those principles. One of those candidates, in fact, was me. He was my staunchest supporter when I ran for Congress in the primary and general elections of 1982. He wasn't like so many businesspeople today: easily browbeat by the left and afraid to actively defend the very capitalism that allowed them to succeed.

Here was a man who had achieved great wealth and could have sat back at the age of 60 and simply said, "I quit. I've earned a life of leisure now" And no one would have begrudged him that leisure. But he went on for another 17 years — working, creating, employing, growing a company, even building a school for hundreds of Isabella County children.

Those who didn't have the pleasure of knowing him well, but met him briefly, probably came away thinking this guy Morey was a little "different." He could be cantankerous, but that was because he didn't suffer fools gladly. He could be impatient, but that was because he wanted to get things done. He didn't exactly speak the King's English, but that never mattered because he always made eminently good sense. He never cared for kings, anyway.

Nub was a down-to-earth, no-pretense guy whose least concern was whether he impressed you. I never once heard him say anything boastful.

Framed and sitting on my office desk is a quote from a president of the United States that could have been said just as fittingly by Norval Morey: "Die when I may, I want it said of me by those who knew me best, that I always plucked a thistle and planted a flower where I thought a flower would grow."

Airbnb's Co-founder: Innovating since He Was a Kid

Brittany Hunter

One of the key ingredients of a great entrepreneur is the ability to constantly ask yourself, “how can I make this better?” This is a question Airbnb co-founder Joe Gebbia has been asking himself his whole life. And it was this innate desire to innovate and improve on existing models that has taken Airbnb from a fringe Silicon Valley experiment to a household name.

Natural-Born Innovator

Like all young kids his age, Gebbia loved the Teenage Mutant Ninja Turtles. He also loved to draw. Taking his passion for the pizza-loving cartoon turtles to the next level, he dedicated many hours to drawing pictures of the show's characters. It wasn't long before his classmates started noticing his drawings and asked him to draw pictures for them as well. This gave Gebbia an idea.

Charging \$1 for small drawings and \$2 for larger drawings, he was able to run a successful side hustle as an amateur artist. In addition to the money, young Gebbia was also making his classmates happy. It was a win-win situation for all parties involved, or at least it was until the adults got involved.

As demand for these Ninja Turtles drawings increased, the schoolchildren had begun telling their parents that they needed more lunch money than usual. This created suspicion among the parents, who contacted the teacher wanting to know what was going on. As all signs pointed towards Gebbia, the teacher approached him and told him he had to stop selling his art.

As Gebbia tells Tim Ferriss in a podcast episode: “You could say it was my first brush with regulation.”

And as Gebbia got older, his desire to create value morphed into a desire to innovate and make things better. During his senior year of high school, the student body had unveiled the t-shirt for that year's graduating class. Gebbia was not impressed. And while he had no background in design, he knew he could do a better job. So he set to work.

Teaching himself Photoshop, a program of which he had no prior knowledge, Gebbia was able to create his own version of the senior class shirt that was much better than its competitor. Providing his own funds for the production of the shirts, Gebbia turned his dream for a better shirt into a reality. But now he was left with an inventory of shirts with no buyers.

Many innovative people never succeed because they lack the ability to get an idea from prototype to shelf. Everyone wants to dream, but no one wants to work. This is precisely what sets Gebbia apart from all the rest.

He went around school selling his shirts to each of his classmates. Telling each the story of how he came up with the design for the new shirt, a feat he accomplished with great success. This lesson would come to be integral in his later successes.

Where Is the Music Coming From?

Gebbia's desire to do things better can most certainly be credited for his success as an entrepreneur, but it also got him in a fair amount of trouble as a kid.

At the end of his freshman year of high school, Gebbia was immensely disappointed by the prank that year's seniors had chosen. As always. Gebbia knew he could do better, and spent the next three years determined to come up with a better plan.

By pure happenstance, just a few weeks away from graduation, Gebbia learned that it was actually quite easy to gain access to his school's intercom system. Creating a diversion, he was able to covertly steal the main office's cordless phone. All he had to do was dial #00 and he would have access to every room in the school. The only thing was, he didn't know what to do with all this power. Then it hit him: he decided to make a tape that would play Alice Cooper's "School's out for Summer" and Pink Floyd's "Another Brick in the Wall," better known by its chorus, "We don't need no education."

While he had initially expected the administration to discover the phone and shut down the prank quickly, the opposite happened. As the music came blaring over the intercom, complete pandemonium ensued. The faculty could not figure out how to turn off the intercom and the students were relishing every moment of the chaos.

As Gebbia casually fled the scene and walked into class, he saw students in multiple classrooms dancing on their desks. The prank was a success. However, the administration would eventually catch on, and this prank would result in a summer of manual labor at the high school.

But in his small county in Georgia, he was a legend: so much so that MTV aired an episode of *High School Stories* that featured the prank only a few years later.

“CritBuns”

His t-shirt endeavor had given him a love for design, so after high school, Gebbia attended Rhode Island School of Design. During the course of his education, Gebbia had proven himself more than capable of not only completing difficult design projects but also finding a way to get them funded and into the hands of consumers, something every entrepreneur needs to be able to do.

In art school, there are long periods in which students critique each others' work. During these sessions, students sit on dirty, hard stools that were known for leaving black marks on the behind of the sitter after they stood up from the chair.

This was a problem so common among art students, that everyone had their own horror stories to tell. During his senior year, Gebbia decided he was going to fix this problem. Customizing foam, he created a cushion that would fit comfortably on top of the art school stools. Named “CritBuns” because their use was intended for long periods of critique sessions, Gebbia had created a solution to a widespread problem. But merely solving the problem for himself was not enough for him. He knew the other students would love these cushions if only they knew about them. They would also be willing to pay for them.

But spreading the word was not as easy as he thought. A couple of months before graduation, the school announced a design contest for a product that could be given out to the entire graduating class of 2005.

This was perfect. Gebbia would be able to get his idea funded in addition to spreading the word about his cushions.

As luck would have it, Gebbia won the contest but, unfortunately, he had no idea how to create hundreds of CritBuns. Even worse, he had no idea how he was going to do it in time for graduation, which was now just four weeks away.

After making several calls to various prospective vendors, Gebbia was routinely told he would need at least six weeks to obtain the raw materials needed to make this a reality. But that wasn't going to work and Gebbia was going to complete this project no matter what it took. After many phone calls and a little creative problem solving, Gebbia was able to produce the CritBuns. And the day before graduation, hundreds of the seat cushions arrived on campus.

Prototype to Shelf: The Power of Storytelling

One of the wonders of CritBuns was how they were sold. It was purely by word of mouth. The cushions may have been meant solely for art school students, but other consumers were finding uses for them. And every consumer had a story about their CritBun experience. Someone would tell the story of how the cushion had helped them or where they had used it, and the stories would resonate with other consumers. It was this experience that taught Gebbia the importance of storytelling when attempting to get a product from prototype to the shelf.

When he was selling his CritBuns in Japan, he was unable to rely on storytelling, as he did not speak the language. It wasn't until he began working with a translator who could do the storytelling for him that he began moving the product. This would aid him later on with Airbnb.

After school, Gebbia continued to sell CritBuns while taking up residence in San Francisco. It was there where he met the other co-founder of Airbnb, his roommate Brian Chesky.

When the two wanted to attend a design conference happening in the Bay Area, where they lived, both were bothered when they realized that many not living in the area would be prevented from attending simply because hotel accommodations were either in short supply or too expensive.

In true Gebbia style, he was anxious to provide better solutions that would alleviate these problems. It was then the two decided it would be fun to purchase three air mattress and charge low rates to conference

attendees who wanted to stay in their apartment with them. This original concept was meant to be strictly for conferences, as this was the direct problem at hand. They didn't see at the time how this concept could be expanded to accommodate more consumers.

As it turned out, people loved this idea and, before they knew it, they were hosting the first three Airbnb guests in history. And while the idea was received well at the conference, especially since the guests were on stage as part of the presentation, the idea did not catch on. Just like the initial CritBuns, nobody knew about Airbnb, so it was not likely to get off the ground.

But that was before the 2008 Democratic National Convention.

Love him or hate him, Candidate Barack Obama was a sensation among politicians. As a talented speaker, Obama was able to pull in record-breaking audiences. And many of these attendees were young Americans, an age bracket historically apathetic about politics.

As a result, the Democratic National Convention had had to relocate to a larger venue in Denver than was originally planned. But the delegates coming into town were already grabbing up all the hotel rooms, making lodging scarce. And since it was in such high demand, hotels could charge astronomical prices for a room.

This gave Gebbia and Chesky an idea. They would relaunch Airbnb at the Democratic National Convention. Excited and sure of themselves, they contacted CNN and other news outlets to let them know but were routinely shut down. No one seemed to find their idea that interesting, especially during an election as historic as 2008.

Desperate for some media attention, they focused on bloggers. They may not have known how brilliant this plan was at the time, but they are both aware of it now. When it came to reporting on local news concerning the convention, the local news networks relied on local bloggers. Likewise, national news networks were relying on local news networks in Denver for their reporting on the upcoming National Democratic Convention.

Before they knew what was happening, they were being featured on prominent news networks and their website was being shared with millions of audience viewers. Within a few weeks, around 800 Airbnb reservations had been made for the DNC, and Airbnb was officially on the map. And the rest, as they say, is history.

Who knew that the young boy selling Ninja Turtles drawings would one day create a business that would completely redefine the way we travel? And while his high school administrators may not have thought much about his high school prank, Gebbia is truly an entrepreneurial genius.

Why the Girl Scouts Are Marketing Geniuses

Brittany Hunter

Girl Scout Cookie season is upon us: the time of year that turns me into a cookie junkie. I scour my neighborhood for green-clad girls selling colorful boxes of delicious processed sugar. It's been an entire year since I last ate these cookies, but I can still taste the minty, chocolatey goodness of a Thin Mint.

But after scarfing down my first box of the year, the euphoria of the cookie hunt dies down and suddenly a realization dawns on me: these outrageously expensive cookies really aren't that good. Yet, each year I go out of my way to buy as many boxes as I can carry.

But that is when the brilliance of Girl Scout Cookies really hits me: Through a genius marketing strategy and an appreciation of the entrepreneurial spirit, the Girl Scouts have been able to turn a mediocre line of cookies into a phenomenally successful all-around customer experience.

The Dominance Hierarchy of Cookies

Don't get me wrong, Girl Scout Cookies are good, but they aren't great. If all the cookies of the world were placed on a dominance hierarchy, Girl Scout Cookies would be somewhere in the middle. But before Samoa loyalists get offended by this rather bold statement, let me state my case.

The dessert industry is filled with specialized products. Gourmet donuts, cupcakes, and cookies have drawn in a huge consumer base in recent years. Millennials are major drivers of consumer demand and if there is one thing young people love, it's specialized products. Due to this large demand, delicious freshly baked cookies are everywhere. And almost any of these options is going to be better than a Girl Scout Cookie.

The comparison is a bit unfair; after all, freshly baked goods are in a whole different category from packaged desserts. But if we are being true to the cookie hierarchy, baked goods must be considered. Yet, even compared to other store-bought varieties, Girl Scout Cookies simply aren't the best option available on the market.

For my palate, almost any cookie produced by Pepperidge Farm is better when judged solely on taste. I would even be willing to go on the record stating that Chewy Chips Ahoy are superior to any of the Girl Scout Cookie flavors, including the Samoa, which is my personal favorite.

Some name brand companies have come out with their own knock-off versions of the famous Girl Scout Cookie flavors. Keebler's Grasshopper mint and fudge cookies, for example, taste nearly identical to Thin Mints. This makes sense, as Keebler runs Little Brownie Bakers, the company responsible for producing Girl Scout Cookies. But while a box of Thin Mints will set you back five bucks, the Keebler Grasshoppers cost only \$2.69 and are available throughout the year.

Yet, even so, many customers prefer to pay more and travel further for Girl Scout Cookies. And therein lies the beauty of the Girl Scout's marketing strategy.

Artificial Scarcity

The decision to only sell the cookies a few months out of the year and only at select locations has made consumers want the product that much more. And they will go to almost any lengths to get these cookies. This is a technique called "scarcity marketing." And through this strategy, the Girl Scouts have completely changed the way their customers purchase cookies.

If I am craving Oreos, I know that at any given time I can go to the grocery store and find them. And since these cookies are so widely available, I never worry about stocking up. I grab one pack and that's that. If I want another pack for any reason, I know finding one won't be a problem. But Girl Scout Cookies are in a whole other realm.

Since Girl Scout Cookies are only available for purchase through the Girl Scouts themselves, going out and buying them takes more effort than buying a pack of Oreos. Before setting off on my quest, I have to use a Girl Scout Cookie finder app on my phone. After inputting my zip code, the app will give me a list of results naming the locations and

times that the Girl Scouts are expected to be peddling their goods. But the excitement does not end there.

Since my window for being able to purchase these cookies is limited, I don't just buy one box, like I would with Oreos. Instead, I buy these cookies as if I were stocking up for the apocalypse. There have been at least two occasions in my adult life when I have purchased every box of Samoas the Girl Scouts had with them at their booth. And even though I had to make several trips to my car, I had no regrets.

And even though these large purchases leave me with more cookies than I can possibly eat by myself, I always end up buying even more boxes when I run into the next troop. And I am hardly alone in this practice.

Every time I go to a friend's house between the months of January and March, I will almost always see a sizeable stash of Girl Scout Cookies in their pantry. The fear of missing out (FOMO) on Girl Scout Cookie season has consumers so worried, they purchase more of the product than they would under normal circumstances. Such is the power of FOMO marketing. But none of this is done by force. This is entirely a willing decision by the consumer, which makes the entire marketing concept worth of admiration and praise.

I have previously asked myself why the Girl Scouts haven't moved towards a digital model, where cookies can be sold online or via a mobile app. This would allow more people to easily purchase the product. But this completely misses the point.

The fact that you can only buy from the Girl Scouts themselves only makes consumers want them more.

An anti-capitalist might point to this as yet another example of how marketing manipulates consumers, generating wants instead of catering to them. "See, those tiny capitalists are tricking you into craving something you don't even enjoy that much!"

But this betrays an overly narrow way of looking at the matter. What the Girl Scouts are selling is more than just a cookie; it's a customer experience. The countdown to cookie season, the quest for the Scouts, the race to acquire your stash before the cookies disappear for months: it's all part of the "product" and all part of the fun. And the experience has become an American tradition. Nothing is as satisfying than being the first of your friends to track down a box of Thin Mints. That in itself is a badge of honor.

But what I personally enjoy the most about the Girl Scout Cookie experience is witnessing the rise of budding entrepreneurs.

Teaching the Entrepreneurial Spirit

The internet has completely changed the way business transactions are made. But just because many things are done in the digital space doesn't mean there isn't still a place for a traditional sales approach. There is no doubt that utilizing the internet to sell Girl Scout Cookies would reap high rewards. But this is simply not the point of cookie season.

Few children, or adults for that matter, understand the struggle of making a face-to-face sale. Pitching a product, even one you fervently believe in, is not an easy task. In fact, it takes a fair amount of courage, salesmanship, and resilience. But without the ability to make a solid and convincing elevator pitch for whatever is being sold, no entrepreneur can expect to achieve success. Luckily for the Girl Scouts, this is something these young entrepreneurs in training have mastered since they have to do it each season.

Each must also learn to utilize their network of contacts in order to sell as many cookies as possible. This means getting out of their comfort zones and pitching to adults since they are the ones with the money. And while the product is one that is well known enough to basically sell itself, pitching face-to-face is still an important skill. And since most young children are not being taught this valuable skill elsewhere, the Girl Scouts are providing an invaluable learning experience.

Cookie season also fosters an environment where the girls can learn about healthy market competition. The season itself is a competition among the girls, each attempting to sell more cookies than their friends. And since each girl is selling the same exact product, each must rely on individualized marketing strategies to sell more boxes than the other girls.

It's Not about the Cookie

In modern times, we are able to order almost anything our hearts desire on Amazon and have it delivered to our doorstep in two days, gourmet cookies included. And yet, in a world of infinite consumer convenience, we have still chosen to embrace the seemingly outdated Girl Scout

Cookie model with open arms. That is because once again, buying Girl Scout Cookies isn't really about buying Girl Scout Cookies.

We buy these cookies because as consumers, we love the chase and we admire the entrepreneurial spirit these young cookie pushers emulate. So even though Girl Scout Cookies may not be the best tasting cookie on the market, they are certainly a product worthy of praise. And I have every intention of purchasing as many boxes as I possibly can this cookie season.

From Inmates to Entrepreneurs

Brittany Hunter

Can you imagine being eternally judged according to the worst thing you have ever done? As imperfect beings, we have all committed regrettable acts and said things that were less than commendable. But for the vast majority of us, these bad choices have not prevented us from picking up the pieces and moving on with our lives.

But for the formerly incarcerated, the worst thing they have ever done haunts them long after they leave prison. Their past often prevents them from securing a job and housing, two essential elements needed to rebuild your life. And when you factor in the environmental circumstances that led to their bad decisions in the first place, you recognize that many of these former offenders have no support system there to guide them down a more virtuous path after they are released.

Without these necessities, recidivism is commonplace. This is why two-thirds of released inmates end up rearrested within three years of their release. This number increases to three-quarters within five years.

Something is seriously wrong when our “correctional system” consistently fails to do any correcting at all. And to be sure, the system has failed. Instead of giving inmates the direction they need to improve their lives and the communities they will eventually, hopefully, return to, we lock them in cages, treat them like animals, and then act shocked when they cannot function in the outside world and end up back in prison.

But where the state and the system it created has failed, the private sector has succeeded in lower recidivism through entrepreneurship.

Second Chances

“We’re all ex somethings,” the “about” section for [Defy Ventures](#) reads. The organization was started by Catherine Hoke and uses character

development, entrepreneurship, and employment opportunities to change the lives of those currently behind bars.

It is all too easy to brush off the incarcerated population of this country as being “where they belong;” they are criminals after all. But the truth of the matter is we are all “criminals” in the eyes of the state. Most of us just never get caught.

Many Americans commit **three felonies a day**, whether knowingly or not. This is because our criminal codes have become so bloated and arbitrary that it is hard to not break some sort of law. Couple this with the fact that the drug war routinely prosecutes victimless crimes and that many of these “perpetrators” have no history of violence, and you have a large chunk of the prison population that shouldn’t even be there to begin with.

But not all those behind bars are nonviolent offenders, and Defy works with these individuals as well. This is because above all things, Defy believes in second chances, even for violent offenders.

And for anyone thinking that this is far too altruistic a position to take, Hoke herself provides a powerful example. After her best friend was brutally murdered at twelve years old, she took a very harsh stance against the incarcerated population. But that was before she decided to visit a prison and see these inmates firsthand, an experience that was integral in her decision to start Defy.

To help get the point across that we are all guilty of something, the year-long program Defy runs an exercise called “step to the line.” In this drill, Catherine or another Defy rep asks both its volunteers and their inmates questions like, “Have you ever done something you could have been arrested for?” If the answer is yes, then participants must “step to the line.” Without fail, Hoke says the majority, if not all, of those participating step forward.

She then asks questions like, “Who has ever committed a violent crime?” Not who has ever been convicted, but who has ever committed a violent crime. Even those with squeaky clean criminal records have been in a schoolyard brawl before, which means many undoubtedly step to the line.

Where the exercise gets interesting is when Hoke asks those to step forward who were arrested before the age of 16, 13, and then ten. Hoke describes an instance where one inmate was first arrested and put into the system at seven.

This exercise is as much for Defy's volunteers as it is for the participants. It is easier to judge others than it is to consider their individual circumstances. One of the participants of Defy, for example, watched his grandfather murder his father at a young age, something most of us could not even imagine witnessing. This led him down a destructive path, for which he is now serving time.

As the Defy website reads:

I wish we'd ask ourselves, 'What would it be like if I was only known for the worst thing I've done?' Moved by empathy, we'd recognize people for who they are today and not for the mistakes they made yesterday. Millions with criminal histories would unlock their potential."

You will never hear Catherine Hoke refer to the individuals she works with as felons or even inmates. Hoke chooses to view those she works with as what they could be, not what their past has defined for them. In the Defy program, inmates are called EITs, which stands for entrepreneurs in training.

For many, if not most of these inmates, they have lived their whole lives being told they will never amount to anything. Born into circumstances where they stood almost zero chance of getting out of high-risk neighborhoods, many of those behind bars were forced to become entrepreneurs.

Natural-Born Entrepreneurs

For those growing up in high-risk neighborhoods, survival is key. Learning how to make money at a young age is sometimes the only means by which many of these individuals can eat. And as tragic as this is, it is for this reason that entrepreneurship resonates with these inmates.

Speaking to Tim Ferriss during [an episode](#) of his podcast, Hoke explains that for many of these EITs, making money was a matter of staying alive more than anything else. But what started with something as innocent as selling gumballs to classmates quickly turned into selling drugs, as it was a more lucrative trade.

But simply commenting that these individuals should have done something more noble with their lives negates the series of

circumstances that led them there in the first place, as the step to the line exercise demonstrated.

The Program

Defy is a year-long program that features 100 business courses developed by those from both Harvard and Stanford MBA programs. The program itself is vetted by Baylor University and once completed, EITs receive a Baylor certification.

As Hoke explains, “We use our love of the entrepreneurial journey to bring out the best in people.” By instilling healthy competition, EITs learn the ins and outs of the business world, even presenting business plans to a panel of judges near the end of the program. But the training does not end there.

Character development is a huge part of the program, so Defy also places a great deal of emphasis on psychological development. Each EIT undergoes intense therapy in addition to their business training.

Since these EITs will be returning to the outside world eventually, Hoke wants to ensure that those reentering society are the kinds of neighbors you would want to live next to. Character development and therapy play a huge role in this.

And for anyone thinking this sounds nice in theory, but seems almost impossible in practice, the results speak for themselves.

Con Body

Coss Marte became a local drug kingpin at a young age. Before he was arrested and sent to prison, he was bringing in over \$2 million in drug sales a year. A natural-born entrepreneur, Marte just needed to redirect these aptitudes. Luckily, Defy helped him to do just that.

After being placed in solitary confinement, Marte refused to let that horrific experience destroy him. He spent his days developing workouts he could do in his small cell without the use of weights or other gym equipment. By the time he got out, Marte had lost over 70 lbs.

When he left solitary confinement, he taught others his workout routine. When Marte started the Defy program, he knew exactly what his business plan would be.

After being released, Marte went back to his old stomping grounds in New York City and began “Con Body.” Hiring other former convicts, Marte and his trainers use their rough prison style methods to train their clients. Once you sign up for a session, you are partnered with your “celly,” also known as your trainer and undergo your prison-style training.

This idea caught on quickly and the business has been a huge success. In fact, Con Body now has a location within the swanky Saks Fifth Avenue, bringing in many high-caliber clients eager to pay for Marte’s services.

But his company is not only helping clients stay fit, it is giving other inmates hope. After hearing his story, one of America’s harshest prisons, Pelican Bay, allowed Marte to come in and teach a class to its inmates in solitary confinement.

For those who have spent their time alone in small cells, this has made a huge impact. Not only did they get an afternoon of human contact, they now had something to pass the time while they served out their solitary confinement sentences.

Marte’s story is just one of many, but it offers a great deal of insight into why the prison system routinely fails. Since so many inmates have this entrepreneurial drive, it seems a shame that so much talent would go to waste.

Hoke’s goal is to someday be in every major prison system within the United States. And while that goal is still years away from coming to fruition, the impact Hoke is having is undeniable.

Reprinted from [Center for Individualism](#).

***The Greatest Showman* and the Beauty of the Entrepreneurial Spirit**

Brittany Hunter

I love stories about underdogs defying all odds and proving they are stronger than people realized. This helps explain my unbridled enthusiasm for the new movie musical *The Greatest Showman*.

But there is so much more to this film than the baseline plot: a story of society's outcasts finding success through unconventional means. Above all, *The Greatest Showman* is a tribute to the resilience and power of the entrepreneurial spirit.

The film tells the story of P.T. Barnum, the man responsible for the founding of the Ringling Brothers Circus. I don't know much about the real-life P.T. Barnum, but the character in the film, as depicted by Hugh Jackman, is the hero I wish to discuss.

You're More Than You Can Ever Be

Born into nothing, Barnum is a lowly servant with big dreams working in a wealthy household. Without a family or support system, he is forced to learn how to rely on himself from a very young age. And no matter how cruel the rest of the world treats him, he is unfazed by the opinions and actions of others.

After getting in trouble for teasing his employer's daughter, Barnum is struck hard in the face. But this does not lessen his resolve for greatness. Surrounded by luxuries far beyond his own means, Barnum gets a glimpse of the life he could live if he were to rise above his circumstances. So he commits himself to achieving something amazing and larger than himself.

In the song, "A Million Dreams," young Barnum demonstrates his unbreakable optimism when he sings:

‘Cause every night I lie in bed
The brightest colors fill my head
A million dreams are keeping me awake
I think of what the world could be
A vision of the one I see
A million dreams is all it’s gonna take
A million dreams for the world we’re gonna make

But instead of merely obsessing over daydreams, Barnum made his dream a reality. He grew up, married the same girl he was beaten for teasing years earlier, and works a series of mundane factory jobs. When he gets laid off, again, he decides that enough is enough and searches for his true calling in life. As all entrepreneurs understand, setting off on your own comes with a fair set of risks, and Barnum faces plenty. But, from high risks often come high rewards.

Using all the money he has, he purchases a building and turns it into “Barnum’s American Museum.” Unfortunately, this venture is a dud. The only tickets he sells are to his wife and two daughters. So, like a good entrepreneur, Barnum goes back to the drawing board to figure out what the people actually want.

What is most admirable about this part of Barnum’s life is his unwavering dedication to hard work. Stories about lackadaisical dreamers often place too much emphasis on the dreams themselves, and not what it takes to make those dreams become a reality.

In the song, “Come Alive,” Barnum is seen working diligently to manifest his dreams in reality and reflecting on the fact that through this hard work, his dreams can unfold. He sings, “And the world becomes a fantasy, and you’re more than you can ever be, ‘cause you’re dreaming with your eyes wide open.”

The Market Is the Great Equalizer

Barnum longs to give the world something extraordinary, the likes of which they have never seen. But he realizes he cannot do this by merely imitating what has already been done. He decides to do something bolder, and by doing so, he ends up adding value to the world in ways he never imagined.

The market is the great equalizer, as this film drives home. Barnum’s original museum highlighted the spectacular and unbelievable marvels

of the world. Unfortunately, none of these rarities were real. His original museum relied on poor quality replicas of mermaids and other mythical phenomena, which were not appealing to consumers. But the lack of customers drives Barnum to go in search of real, and rare, human acts.

Lettie Lutz, later known as “the bearded lady,” is resigned to a life of shame and isolation. She has no aspirations aside from keeping her head down while doing laundry for a living. But that was before she met Barnum.

After putting up signs looking for rare and exotic acts for his upcoming production, Barnum stumbles upon Lettie and is taken aback by her stellar vocal abilities. He begs her to join his act as a singer.

Barnum’s enthusiasm for his project is contagious, and Lutz agrees to come aboard. His excitement from finding Lutz redoubles his resolve to put together the greatest show on earth.

Barnum goes around collecting other so-called “circus freaks,” ranging from the incredibly tall to the incredibly tattooed and even a death-defying trapeze act. Barnum’s gang of outcasts set out not only to prove they deserve to be a part of society but that they have value to add to the world through entertainment. And this is when Barnum’s production really begins to take off.

As Barnum predicted, audiences were both shocked and thrilled to see such unique individuals brazenly performing. In 1850, when the film is set, being different was no cause for celebration. If you did not fit into society’s prescribed boxes, you didn’t belong. It was as simple as that. But by offering something consumers craved, these unconventional performers took their supposed “flaws” and turned them into a sought-after market entity.

Not only did this allow a ragtag gang of performers to earn livings far beyond what they originally thought possible, they also became a family and found inner peace and acceptance.

While many of these performers were chastised for being different, even by their own families, Barnum gave them a sense of belonging and a camaraderie they had been searching for their whole lives. In the song, “This is Me,” Lutz belts out a ballad of acceptance, proclaiming that she is okay with who she is, despite what people may say. She has created value and through that has gained a new sense of self-worth.

When the sharpest words wanna cut me down
I’m gonna send a flood, gonna drown them out

I am brave, I am bruised
I am who I'm meant to be, this is me
Look out 'cause here I come
And I'm marching on to the beat I drum
I'm not scared to be seen
I make no apologies, this is me."

Film critics have been quick to condemn this aspect of the film as "exploitation," since Barnum earned a profit off of his rare performers. But each member of Barnum's circus was there because he or she wanted to be. Voluntary association is not exploitation, especially when the performers themselves were able to improve their standard of living and their own emotional well being.

Reframing the Narrative

In the AMC series, *Mad Men*, the main character and ad man extraordinaire Don Draper famously says, "If you don't like what is being said, change the conversation." Barnum puts this kind of advice into action.

A highbrow, snooty, and prominent theater critic attends one of Barnum's performances and writes a particularly nasty review. He even goes as far as to dub Barnum's act a "circus"—which, at the time meant "a public scene of frenetic and noisily intrusive activity," hardly a compliment and according to the critic, unworthy of high-class audiences. But this didn't discourage Barnum.

Instead, he changes the name of his show, "P. T. Barnum's Grand Traveling Museum, Menagerie, Caravan & Hippodrome" to include the word "circus," establishing a new definition for the word. By not only refusing to be offended but also going so far as to adopt the offensive name for his show, he is able to reclaim the narrative and continue proving that he is more than what others may think.

Yet he doesn't stop there.

He then decides to add some credibility to his act. After hearing of Jenny Lind, a woman dubbed, "the greatest singer in all of Europe," Barnum offers her an exorbitant amount of money to join his act.

While his performers are talented, none are classically trained, nor are they known among high-class circles in Europe. When Jenny

takes center stage and blows the audience away, Barnum proves that his “circus” is anything but: a fact the theater critic later admits.

But he soon confronts a crisis. A mob of citizens angry that such unconventional performers were being allowed on stage set fire to his building, turning his dreams into ashes.

After a brief period of doubt and desolation, Barnum snaps back into entrepreneur mode and finds a way to continue his show. Since he cannot afford to rebuild or purchase a new facility, Barnum has the genius idea to save on overhead costs by using large tents instead: the same tents that are now so closely associated with circuses. Little did we know as children that these tents first emerged as an entrepreneurial response to tragedy.

But the entrepreneurial spirit is one of dedication and resilience. And through all of the disappointment and struggles, Barnum was able to leave a legacy behind not only for himself, but for each performer who found personal liberation through his show. He was also able to provide for his family and give them the life he dreamed of as a young boy.

While this movie has been unjustly panned by many critics, it is resonating with entrepreneurs and reminding them to hold fast and work hard to make their dreams a reality.

How Halo Top Reached the Top

Brittany Hunter

No one expects healthy desserts to taste good. It is one of life's harsh realities that we have had to learn to live with: you can either eat healthy food, or eat delicious food; you can't have it both ways. But that was before Halo Top entered the market and was met with unconventional success.

Visit any grocery store that sells the healthy protein-packed ice cream in the late afternoon or evening hours and you will see empty shelves where the beautiful gold-lined pints once stood. So high in demand are these low calorie, low fat, low sugar ice cream flavors, large supermarket chains can barely keep up with the consumer demand.

But unlike many successful brand name products, Halo Top comes from humble origins. In fact, its creators had to overcome some major obstacles and wait six years before they achieved market success. And what is perhaps most intriguing about Halo Top is its refusal to do things in the traditional way. But it is this innovative mindset and the ability to learn from mistakes that has helped Halo Top reach the top.

Changing the Way We Eat Ice Cream

For many of us, ice cream is a treat reserved for "cheat" days, but certainly not something to be eaten on a daily basis. But Halo Top's healthy approach to ice cream is changing the way consumers eat the deliciously cold treat. That is because each pint of the heavenly snack only contains 220-240 calories. Compare this to a brand like Ben and Jerry's which has about 1,040 calories per pint and you can see why consumers get so excited about it.

Since Halo Top also tastes great, something no other diet ice cream has pulled off, consumers are actually eating a pint of this ice cream every day. But since the calories are so low, they needn't feel guilty for eating

an entire container in one sitting. In fact, its packaging encourages you to “stop when you hit the bottom.”

This also means consumers are coming back for seconds and thirds with more frequency than any other ice cream brand before it, which would explain why grocery stores are having a hard time keeping inventory in stock. And this is precisely what its creator Justin Woolverton had in mind when he created his recipe.

A fan of low carb diets and intermittent fasting, Woolverton wanted a cold treat that he could eat while still abiding by his diet. And like all great market products, Halo Top was born out of a demand for a product that didn't yet exist.

Originally using greek yogurt and fruit as his main ingredients, Woolverton began experimenting with recipes. He quickly discovered that his “healthy” ice cream tasted like garbage. But he refused to give up.

As with most successful products, it took several rounds of trial and error before the product resembled anything close to ice cream. But like any good entrepreneur, he was consumed with perfecting the recipe, until he was so excited about it, he could hardly sleep.

Gasping for Air

But what is perhaps most notable about Halo Top is its secret ingredient: air. And oddly enough, in the process of building the Halo Top brand, lack of air almost killed, not only his product, but Woolverton himself.

After moving to a commercial kitchen, Woolverton realized that simply multiplying his recipe by 50 wasn't going to work. The consistency was all wrong. So in order to keep calories low, Woolverton simply added more air through a process called “overrun.” But this process isn't necessarily unique to Halo Top. Every name brand ice cream uses this process to lesser degrees. Though most are not worried about keeping calories low, so they are able to add other ingredients to play around with the consistency, which requires less air than what is needed for Halo Top.

Getting this process just right took a great deal of time. But the mark of a good entrepreneur is the inability to settle for mediocrity. Woolverton continued to perfect his recipe for an entire year before he was satisfied. And even after the ingredients were finalized, he found his ice cream was still rock solid, not replicating an authentic ice cream

experience. However, he found that if left out for only a few minutes, the consistency was almost identical to regular ice cream.

But a perfect recipe didn't equate instant market success. After all, he still had to convince the stores to buy what he was selling. Healthy ice cream doesn't have a great track record and most are discontinued shortly after they are released. In fact, [INC's](#) profile of Halo Top lists several other attempts at healthy ice cream that were each dismal failures.

As a one-man operation, Woolverton was doing everything: creating the recipes, convincing stores to stock Halo Top, and even driving the shipments himself. And it was this that almost killed him.

In order to preserve Halo Top's consistency while it was en route to its destination, large amounts of dry ice were needed. His car was packed with 40 pints of Halo Top stored in dry ice. And, as is typical for Southern California, severe traffic meant spending a lot of time trapped in his vehicle. Unfortunately, it did not occur to him that the dry ice is a solid form of carbon dioxide that sublimates as it warms up. After almost passing out behind the wheel, he flagged down a nearby ambulance and a major crisis was averted. But his determination was not shaken.

But his solo operation would not be solo for long. Douglas Bouton, a friend of Woolverton, was done working in the legal profession and was ready for a change. Bouton became the primary "seller," going to health food stores and asking them to sell their product. After several visits, they signed a few local stores as well as various Whole Foods Markets. Halo Top was well on its way to becoming a household name.

Unconventional Methods

But as successful as their ice cream brand would later become, in 2013 things weren't looking so hot for the duo. Having already borrowed \$500,000 from friends and family, Bouton and Woolverton realized they were running out of chances to make this work.

For smaller companies like Halo Top, selling their product in a major grocery store chain means having to pay to do so. In many cases, this can cost up to \$150 per flavor. And while this might not seem like a huge cost on its own, it ended up costing the two entrepreneurs hundreds of thousands of dollars just to get their ice cream on the shelf, without any guarantee that anyone would actually buy it.

Having maxed out several credit cards and exhausted all other methods, they decided to try crowdsourcing, which has cleared many hurdles that stand in the way of innovators and entrepreneurs gaining access to capital. Through crowdsourcing, loyal fans of Halo Top could pitch in money to help the struggling company. This resulted in around \$1 million for the company, which had promised this would be their last attempt before giving up.

Since money was tight, they couldn't rely on traditional ad campaigns to promote their product. Instead of commercials airing at prime times, the two utilized social media. Calling on fitness buffs with large Instagram followings, Halo Top was able to get its name out there. Since they couldn't afford to pay for ads, they traded promotion for ice cream coupons. Eventually, this caught the attention of GQ, whose 2016 write-up of the company elevated it to the next level in the nick of time.

Three months later, the two former lawyers had doubled their revenue and were making a profit.

They say imitation is the best form of flattery, and if this is true then Woolverton and Bouton should feel very flattered indeed. Over the last year, name brand ice cream companies, blown away by Halo Top's success, have launched their own "healthy" ice cream lines. But like all great entrepreneurs, Woolverton and Bouton knew they had to innovate to stay ahead of the competition.

Late last year, Halo Top started branching out and offering non-dairy alternatives of their classic flavors. All this was in addition to adding new flavors to their line as well. But the most fascinating aspect of Halo Top's branding is its cult following.

The low carb diets have stuck around as many have discovered they do not have to sacrifice taste for a smaller waistline. And when you think of healthy ice cream, you think of Halo Top. Starting a campaign on Instagram featuring fit people showing their bare midriffs while eating Halo Top was a huge success and has helped consumers associate Halo Top as the only healthy ice cream. This has allowed the company to keep an edge on their competitors, even though they are facing huge names like Breyers and Ben and Jerry's

And as far as keeping overhead costs low is concerned, if you're searching for the Halo Top headquarters you won't be able to find it because it simply doesn't exist. Each of Halo Top's 75 employees works remotely. Utilizing the work platform Slack, they are able to keep in

touch. When needed, they rent out space from WeWork for a physical staff meeting. This is just another aspect of the company that has allowed them to stay afloat in a sector formerly ruled by big brand players.

It may have taken six years for Woolverton and Bouton to become household names, but I am sure they would both agree that it was well worth the wait. And for those of us who can now eat ice cream without the guilt, Halo Top has been a life-changer. In fact, I ate an entire pint while writing this article.

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